GARY R. HERBERT
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GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, April 05, 2011
Start Date/Time:	4/5/2011 1:00:00 PM
End Date/Time:	4/6/2011 1:00:00 PM
Last Inspection:	Tuesday, March 29, 2011

Representatives Present During the Inspection:	
Company	Larry Johnson
Company	Kirk Nicholes
OGM	April Abate
OGM	Joe Helfrich

Inspector: April Abate,

Weather: Sunny and warm on Tuesday, Cloudy and cold on

InspectionID Report Number: 2709

Accepted by: jhelfric
4/25/2011

Permitee: **ALTON COAL DEVELOPMENT LLC**
Operator: **ALTON COAL DEVELOPMENT LLC**
Site: **COAL HOLLOW**
Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**
County: **KANE**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

635.64	**Total Permitted**
435.00	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [ ] Underground
- [x] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Inspector's Signature: April Abate,
Inspector ID Number: 60

Date Tuesday, April [illegible] 2011

UTAH DNR OIL, GAS & MINING

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
   a. *For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.*
   b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.*
3. *Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☐	☐	☐	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☑	☐	☑	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

3. Topsoil

The topsoil that is the subject of NOV 10069 has been salvaged and bermed in a temporary location near the original robinson creek drainage until it is dry enough to transport to the permanent stockpile location. The permittee needs to submit an amendment to the MRPthat includes at a minimum a narrative and a map showing the location of the live haul subsoil.

4.a Hydrologic Balance: Diversions

Several options for better water management in the surface facilities yard were discussed on sight with Kirk Nicholes. They included diverting additional runoff from the disturbed area and road into pond 1B and constructing a catch basin for the remaining runoff near the entry gate. The other option involved the construction of one sediment pond in the south west corner of the surface facilities yard and rerouting the haul truck access road. Diversion ditch D2 needs to be reclaimed from where it crosses under the haul road to the topsoil stockpile #2 upstream to its origin. The permittee needs to amend the MRP to include a narrative and plans for drainage control from the topsoil haul road to sediment pnd #2. This may be a part of the punch list. The temporary ditch flowing to Pond 3 was constructed and water was flowing in the ditch to Pond 3. In some areas, the ditch did not appear to be well-graded and evidence of water ponding in an area near where the spoils pile is to be located was observed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The earthen dike that was constructed to facilitate access to topsoil salvaging near Robinson Creek is impounding water from three springs upstream in the Robinson creek drainage. At the time of the inspection the impounded water was beginning to seep through the base of the dike. The permittee was requested to remove sediment from an area behind the strawbales, change out the existing strawbales and add an addditional row of straw bales just down stream from the first row of three. During the office visit Mr. Nicholes was asked about the impounded water. Kirk indicated that it was being pumped out for dust supression. However when we inspected the site we noticed a discharge pipe in the dike. Mr. Nicholes was advised that he could not discharge the impounded water through the pipe unless that outfall was included in his UPDES discharge permit. Suggestions were made to cap or remove the pipe until it was permitted. One sample had been taken. Additional discussion included perhaps several more feet of freeboard to the temporary diversion. Pond 1B: Discussed a possible relocation of Pond 1B and moving it further west. This will facilitate easing the turning radius for the incoming trucks and alleviate the use of cross culverts along the road leading to the upper mine surface facilities. Pond 2: Pond 2 was almost at capacity and was severely eroded by trucks tires driving on the embankments. Discussed with the operator adding a berm that runs along the Disurbed Area Boundary along Lower Robinson Creek that will ultimately drain into Pond 2.

4.c Hydrologic Balance: Other Sediment Control Measures

Surface and ground water is collecting between ponds 2 and 3 and ponding in the overburden wher some of it has been pumped to pond three. The permittee will need to construct adequate sediment controls that meet design criteria some where between ponds 2 and 3. As discussed there is ample room for a sediment pond south west of the temporary dike in Robinson Creek. One option discussed was permitting the area of the ephemeral channel where the NOV occurred to include it in the disturbed area boundary. Currently as the plan is laid out, this area will come within 25 feet of the toe of the spoils pile. This channel serves as a small tributary to L.R.C. and does not report any water to the main LRC channel. This location should be evaluated as a secondary sediment pond.

4.d Hydrologic Balance: Water Monitoring

Standing water was evaluated in Pit #1. The water was measured for pH and conductivity readings with results reporting from 8.10, 8.16 for pH and 1506 and 1560 from two separate measurement locations. Asked operator if there were any plans to blend it, he indicated there were not.

16.a Roads: Construction, Maintenance, Surfacing

Currently there is no access road to Pond 3 and associated temporary ditch. Discussed a road that provides access to the sediment pond and the ditch was necessary in order to access and maintain these drainage structures.